

Press Release

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Large Solar Arrays Planned for Middletown

Middletown Mayor Daniel T. Drew and Michael Silvestrini, CEO of Greenskies Renewable Energy, LCC, jointly announce an agreement to locate up to 3 Megawatts of solar photovoltaic generation capacity on city property. The solar facilities will be constructed by Greenskies at no cost to the city. One Megawatt of solar capacity will be located on the capped municipal landfill adjacent to the city's recycling center. The ground-mounted solar panels will cover about 5 acres and provide electric generation for the nearby Remington Building and other city electrical accounts at a rate of \$.06 per kilowatt hour. Currently, the Remington Building pays \$.15 per kilowatt hour, so this is clearly a very favorable rate.

Based on output projections by Greenskies, the city will avoid approximately \$70,000 in electricity costs for the first year alone, create a significant number of construction jobs and bring in needed tax revenue. In addition, the financial benefit of this agreement will likely increase over the expected 20 year lifespan of the project. The cost of grid-supplied electricity has risen over the past 30 years and is expected to continue to rise; however, the power produced from these sites will remain permanently fixed at .06 cents per kWh.

As Mayor Drew pointed out, "These long term agreements will save city taxpayers millions of dollars over the 20 year term, produce needed tax revenue every year and create a significant number of construction jobs in the near term."

The attractive financials underlying this agreement stem from the federal economic stimulus package of 2009, as well as recent Connecticut legislation (PA11-80) that allows increased distributed generation for municipalities through "virtual net-metering." The new law permits excess generation from one site to be credited to other municipal accounts.

Because of the foresight and readiness of Greenskies Renewable Energy, whose headquarters are at 10 Main Street in Middletown, and thanks to expedited action by Mayor Drew, Director of Planning, Conservation and Development, William Warner, and the Common Council, certain federal tax benefits that otherwise would have expired on Dec. 31 were captured. The project will also be eligible to sell zero emission renewable energy credits (known as ZRecs) at a regional auction in March. These beneficial federal and state programs coincide to create an ideal financial situation, as Greenskies Chairman Bob Landino explained to the Common Council at its meeting on Dec. 21.

Middletown taxpayers and a local business will both benefit from this exciting opportunity, said Common Council member Gerry Daley. Council member Phil Pessina mentioned that taking “waste property” where we used to dump our trash and transforming it for an environmentally productive use has been the vision of the Jonah Center for Earth and Art since 2004. Now that vision is becoming a reality. The City of Middletown and Greenskies Renewable Energy, LLC celebrate this agreement as a model public-private partnership that benefits the local economy in an environmentally friendly way.